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**FTAA - COMMITTEE OF GOVERNMENT REPRESENTATIVES ON THE PARTICIPATION  
OF CIVIL SOCIETY**

**COVER SHEET**

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<b>Country (ies) / Region (s)</b>	The Hemisphere

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**ISSUES ADDRESSED** (Check all that apply)

Agriculture		Subsidies, Antidumping and Countervailing Duties	
Competition Policy		Civil Society	
Dispute Settlement		Electronic Commerce	
Government Procurement		Smaller Economies	
Intellectual Property Rights		The FTAA Process	
<b>Investment</b>	<b>x</b>	Other:	
Market Access			
Services			

**EXECUTIVE SUMMARY** – 2 pages maximum – (see Open Invitation):

**AGREED RECOMMENDATIONS**

***1. Scope and Coverage***

- a. The agreements and regulations on investment between the FTAA member countries should cover all types of international movement of capital. However, the above should distinguish between the different classes of investment, separating the agreements regarding direct investment from those regarding strictly financial investment. It is therefore proposed that progress should be made to arrive at precise definitions for the two categories.

***2. Treatment***

- a. Equal treatment of foreign investors and investments should be established vis-à-vis national investors and investment (“national treatment”), including equal fiscal and tax treatment, and avoidance of double taxation. Such equal treatment should be applicable to all levels of government (national, federal, provincial, state and municipal) in conformity with the different constitutional structures of the member states.
- b. Equal national treatment of foreign investors and investment should not result in any type of privilege in favour of foreign investors and investment vis-à-vis national investors and investment.

***3. Repatriation***

- a. A right to repatriate investment, whether of principal, of capital, or of intellectual property or its interests or dividends, in convertible currency, should be established. Such right is likewise applicable to all proceeds from the sale or other disposition of assets. This right is subject only to certain narrowly drawn exceptions related to the enforcement of criminal and antitrust laws or to the preservation of essential foreign exchange reserves. Prior to the repatriation, all national regulations regarding taxation, labour laws, liquidation of a company and all other relevant rules, will have been fulfilled.

***4. Expropriation***

- a. Expropriation of foreign or national investment should only take place for reasons of legitimate public interests and should be preceded by full compensation in convertible currency.

***5. Investment promotion and incentives***

- a. The member states should avoid unfair competition amongst themselves in the attraction of foreign investment, through greater transparency of the rules, and through the application of regulations accepted by the WTO. These regulations should apply to all levels of government (federal, national, state, provincial and municipal).

***6. Transparency and standardization of rules and statistical data***

- b. We recommend that the Tripartite Committee undertake the publication of a compendium of existing rules and norms (formal requirements, incentives, etc.) concerning foreign investment in the FTAA countries.
- c. We further recommend that the Tripartite Committee undertake the standardization of financial statements, financial disclosure rules, accounting standards, enforcement rules and general national statistical data.

***7. Infrastructure***

- a. The state should play the role of facilitator, promoter, regulator and supervisor of investment.
- b. The international financial institutions, especially the Inter American Development Bank (IDB), in its role as regional institution, should provide additional funds to finance investment in physical and social infrastructure, as well as to finance the restructuring of the economic sectors. These funds should be put at the disposal of both the public and private sectors via simple and efficient mechanisms.
- c. We recommend that the governments of the member states propose an increase of the percentage of IDB resources allocated to private sector loans at the next assembly of the IDB governors.
- d. Given the increasing role of the private sector in infrastructure projects in the majority of the countries of the hemisphere, we recommend the governments of the member states propose the initiation of a policy regarding private sector loans within the ambit of the World Bank.
- e. The IDB should contribute to the financing of infrastructure projects of a transnational nature.
- f. Special mechanisms, that include the training of personnel and technical assistance, as well as the granting of access to special lines of credit for small and medium-sized companies, should be created. These mechanisms are to be created

with the view of making these companies globally competitive and enabling them to access foreign markets and to develop new business activities.

**BUSINESS FACILITATION MEASURES**

1. We recommend that the IDB increase and simplify the mechanisms of technical and financial assistance to the private sector for institutional strengthening and investment promotion programs in the region.
2. The FTAA member states should reduce migratory restrictions on business people, with the view of the complete elimination of these restrictions in the future.

**AREAS OF DIVERGENCE**

Although the participants expressed diverse points of views on many of the issues listed above during the development of the workshop, this report reflects the consensus of all workshop participants.

Chair: Humberto Pacheco, Costa Rica Vice-Chair: José Manuel Armenteros, Dominican

Republic

Rapporteur: Judy Korecky, Canada Vice-Rapporteur: Pedro Migueles, Argentina